

UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UAC INSURANCE MUTUAL MINUTES, BOARD OF DIRECTORS MEETING

March 11, 1994, 1:30 p.m.
The Homestead, Midway, Utah

Members Present: Gary Herbert, Utah County Commissioner
Max Adams, Uintah County Commissioner
Dennis Ewing, Tooele County Clerk
Gerald Hess, Davis County Deputy Attorney
Ty Lewis, San Juan County Commissioner
Gary Sullivan, Beaver County Commissioner
Dixie Thompson, Emery County Commissioner

Members Absent: Ken Brown, Rich County Commissioner
Sid Groll, Cache County Sheriff

Others Present: Kent Sundberg, Utah County Deputy Attorney
Brent Gardner, UACIM Administrator
Sonya White, UACIM Administrative Assistant
Leland Hogan, Tooele County Commissioner
Harry Bowes, UACIM Consultant
Jess Hurtado, AIMS Vice President/UACIM Broker
Keri Chappell, AIMS Technical Assistant
Doug Alexander, AIMS Branch Manager
Dean Bachman, AIMS Service Representative
Wes Brubaker, AIMS of Texas Vice President

Gary Herbert called the meeting to order at 1:30 p.m.

Review and Approval of January Minutes

The minutes from the previous Board of Directors Meeting in January 1994, were reviewed and the following changes made: On page five under **Consultants Report**, the minutes were revised to read: Harry reviewed a listing of Loss Prevention Publications available through County Technical Services, Inc. and offered the option that the Board may want to consider using the services of someone such as Alan Chapman and others... On page two under **Legal Advise for Loss Control**, the minutes were revised to read: In the event the county attorney cannot respond to the county's concerns, then the county attorney would contact David who could in turn authorize the use of outside counsel. Ty made a motion to approve the January minutes with the changes. Gerald seconded the motion and the motion carried.

Gerald had several questions referring to the minutes. Gerald questioned whether the letter was sent out that was directed by the Board on page three under **Loss Prevention Report** in regard to the auto physical damage losses. Brent advised the Board that the letter was sent out on March 7, 1994, to the member counties commission chair under David Nelson's signature.

Gerald questioned whether David had set up the defensive driving course in Millard County as requested by the Board on page four under **Brokers Report**. Brent explained that the defensive driving course and the sexual harassment seminar had both been completed in Millard County in December 1993.

Gerald questioned whether Brent and Jess had "audited" Grand County's special districts as requested by the Board on page four under **Brokers Report**. Brent explained that due to the Legislative Session he has not had time to fulfill this Board request. The Board agreed that this was a high priority item and that this request should be completed and ready to report on by the next meeting.

Gerald questioned whether a letter was drafted as requested by the Board on page four under **Brokers Report** regarding the Duchesne County Hospital. Brent confirmed that the letter was sent to Herbert Gillespie, Duchesne County Attorney on January 21, 1994.

Gerald questioned whether a reply letter was drafted as requested by the Board regarding surety bonds. Brent explained that this request has not been fulfilled but the letter will be drafted shortly after this meeting. Letter sent 3/23/94 (see attachment #1)

Gerald questioned whether Jess had sent the losses per county as he stated on page six under **Other Business**. Jess stated the losses did not go out with the letter that was drafted by David. Letter sent 3/23/94 (see attachment #2)

The Board agreed that the minutes should be sent out timely so that any Board requests can be fulfilled before the next Board meeting. Also, copies of the assigned letters and/or the dates the assignments are complete should be an attachment to the minutes.

Loss Prevention Report

David was absent from this meeting but sent a report for the Board to review. (See attachment #3) Brent reviewed the report with the Board, 1) The first issue of the Mutual Matters newsletter was distributed in March and will be sent quarterly. This newsletter will center on loss prevention activities. 2) Loss prevention legal consulting was discussed last Board meeting. 3) County policy questionnaire is attached and recommendations and/or samples of policies were sent to those counties where necessary. Ty made a motion for a letter to be sent to each member county requesting the county to designate a commissioner, a loss prevention representative and an insurance coordinator by the April Membership

Meeting to work with the UACIM Loss Prevention Manager. Max seconded the motion and the motion carried. Letter sent 3/23/94 (see attachment #4)

Harry stated that he would like to help the Mutual get started on putting together a county safety manual. The manual could be put together very quickly and then revised with quarterly updates. Max made a motion that Harry be assigned to pursue the formulation of a loss prevention/safety manual for counties. Dennis seconded the motion and the motion carried.

Ty made a motion for the approval of two Board members to attend the PRIMA Conference in Denver upon desire and availability. Dennis seconded the motion and the motion carried.

Brent continued with the Loss Prevention report, 4) Jail Standards revisions by Gary DeLand. Gerald added that the Litigation Management Committee was concerned whether there is legal input on these revisions. Brent explained that is why copies are being sent to Kent Sundberg and that DeLand claims that he is basing these revisions on federal case law. Brent expects that the revisions will be complete in the next couple of months. Brent will follow-up with DeLand and invite him to the next Board Meeting to answer and questions or concerns of the Board.

Loss Summary & Financial Statements Review

Brent reviewed the monthly Loss Summary ending February 28, 1994. Brent reviewed the entire experience of the Mutual from January 1992 to February 1994. Gerald raised the concern as to the adversary claiming that the Mutual is not doing very well. Leland also raised the concern that the adversary was making this a constant issue in Tooele County and that is specifically why he wanted to sit in on the Board meeting. Jess felt that due to the claim results that the Mutual has had, the Mutual has not build surplus as quickly as the Mutual would like but the Mutual is financially sound. With the experiences that Jess, Brent and some of the counties have had with a particular adversary, Jess suggested that the Mutual may want to file a complaint with the State Insurance Department stating that this particular adversary is giving out misinformation with no factual basis. Ty made the motion to file a complaint with the State Insurance Department if negativity continues with this particular adversary. Dixie seconded the motion and discussion was opened on the motion. Brent and Jess will look into filing the complaint and use the proposals received by the counties from this adversary as a factual basis to file this complaint. The motion carried.

The Board discussed Leland's concerns and Jess & Brent offered to will meet with the Tooele County Commission to work through these concerns in more detail.

Brent continued with the Loss Summary going over the breakdown of losses by category and county with a total incurred of \$1,859,552.99. Brent reviewed the

Financial Statement for the month ending January 31, 1994. The Balance Sheet reflects the experience of the Mutual since inception. With total assets of \$5,000,941 and total liabilities of \$3,554,538 along with the total surplus funds of \$1,446,303 which shows financially that the Mutual is solvent. The Statement of Cash Flows shows an increase in cash of \$191,818 for the month ending January 1994. All counties have paid their annual premium and surplus contribution except for Beaver, Cache, Duchesne, Grand and Iron Counties who have all been sent a second request for this premium. Ty made a motion for the Board to discuss and review a recommended policy on late payments for a possible position statement on this matter. Agenda item for April Management Conference (see attachment #5) Max seconded the motion and discussion was opened on the motion. The option of a payment plan for the counties was mentioned but the Board felt that the counties should have already budgeted for the insurance, therefore, should pay the total amount for the year. The motion carried.

Brent reviewed the Income and Expense Report and explained to the Board that the Mutual reserves losses at a high level but does not necessary expect to pay that high level and why the Mutual's financials appear as though the Mutual is not building surplus. The adversaries may look at that as if the Mutual is loosing money but the Mutual must reserve at that high level to comply with the Insurance Department requirements and to be very conservative for the counties benefit. A third-party actuary attaches a reserve for Incurred But Not Reported claims (IBNR) based on a percentage of the Mutual's past claims. Due to the lack of time, the Board members individually reviewed the remainder of the Financial Statements and the following question arose on the Balance Sheet whether or not the negative amount of unassigned funds at (\$454,194) included those counties who are outstanding? Brent assured the Board that those outstanding premiums are included in that amount.

Ty motioned that the Financials Statement be accepted by the Board. Dixie seconded the motion and the motion carried.

Brokers Report

Jess handed out to the Board members some examples of policy statements that the Board may want to consider utilizing in the future. Some of these examples may not apply to Utah law but they may give the Board some direction. The Board agreed to review these examples and discuss at the next Board meeting.

(See attachment #6)

A. Airport Liability

The Board reviewed a copy of a letter sent to the Colorado Counties Property & Casualty Pool in regard to the conditions and exclusions regarding airport liability. Utah counties are under the same conditions and exclusions. Dixie made a motion for Jess to draft a letter to all member counties informing them of these conditions and exclusions. Max seconded the motion and the motion carried. Letter sent 3/22/94 (see attachment #7)

B. Property Claims

Doug brought to Jess' attention of counties having property claims and not reporting the claims timely therefore creating problems in settling these claims. Max made the motion to authorize Doug to write a letter to the counties explaining that repairs that are made prior to authorization by the UACIM Claims Administration will be denied. Dennis seconded the motion and discussion was opened on the motion. Concern was brought forth as to whether everyone in the county would read the letter and understand. Max amended his motion to include that the counties acknowledge receipt of this letter by July 1, 1994, the date this Board decision will be effective. The motion carried. Letter sent 3/23/94 (see

attachment #8)

C. Workers Comp Update

All of the loss information the counties requested have been received from the ULGT, however, Jess recommended that the Mutual hold off until the Mutual has control of the loss control. Workers Comp is going to need a lot of work in itself.

D. Boiler & Machinery Coverage

Keri reviewed a quotation from CHUBB Insurance Company for Boiler & Machinery Coverage which is not covered by the Mutual at this time. This may be an option for those counties who do not have this coverage through a local agent. The total premium amount of \$54,598 does not include Juab County (due to lack of property information) and the amount will be decreased by 15% because Aon will not take commission. Ty made a motion to send this information to the member counties for their review and response for the Board to discuss at the next meeting. Max seconded the motion and the motion carried.

Jess added that there is general consensus that the Mutual is required to file a Federal Tax Return. The Aon accounting department would like to file that tax return and show no profitability, with no cost or charge to the Mutual, as to safeguard any debate with the IRS. Max made a motion to authorize Jess to file the income tax return for the Mutual. Dixie seconded the motion and the motion carried.

Inmate Medical Costs

Brent reviewed the discussion of Catastrophic Inmate Medical Expenses coverage from the January 1994 Board meeting. Since the last meeting, Acordia Local Government Benefits, Inc., which Brent had sent to the member counties as an option for this coverage, no longer does business in Utah. Brent has found another company, IMG, that offers this coverage in Utah. Brent will meet with Sid and the Sheriff's to review the information received from IMG and report to the Board at next meeting.

Consultants Report

Harry commented on the changes to the minutes on page two, **Legal Advice for Loss Control**. Harry wanted the Board to be aware that he has seen problems in that if the Mutual makes the contact with Lynn Lund and then if Lund gives the county bad advice it may come back on the Mutual in that the Mutual was the one who provided legal defense for the county. Gerald added that the Mutual is the funding source but the contacted attorney would represent the entity not the Mutual. Gerald stated that the Litigation Management Committee would discuss this concern further

Harry commented on the letter that the Board requested David and himself to draft in regard to auto physical damage. Although the letter had already been sent Harry felt that the counties should have been asked to "respond in writing within sixty days outlining the counties progress and implementation of these policies." Harry also felt that the figures for losses per county that Jess will be putting together should have accompanied this letter.

Harry contacted the Colorado Counties Technical Services orally and in writing regarding their resource library of loss prevention publications and the Mutual's use of it. The Colorado Counties Board was very receptive and Harry will be able to report on their decision at the next Board meeting. Harry is trying to work out a four-state sharing program with Colorado, Kansas, New Mexico and Utah to limit the costs of renting these publications.

Board Approval for Claims Over \$10,000

Doug was concerned with the situation of claims that need settlement and Board authorization of \$10,000 or more before a scheduled Board meeting. Doug wanted a process that may streamline Board authority. Dennis made a motion that in identified emergency situations by Doug, a majority of the Executive Board or a majority of the Board of Directors may give authorization over the phone for claims \$10,000 or more and then ratified at the following scheduled Board meeting. Max seconded the motion and the motion carried.

Litigation Committee & Claims Report

Dennis motioned for the Board to go into Executive Session to discuss the Litigation Committee and Claims Report. Gary Sullivan seconded the motion and the motion carried.

Ty motioned for the Board to come out of the Executive Session. Dennis seconded the motion and the motion carried.

Dixie made a motion to authorize settlement of claim number 801MIL947001 in the amount of \$12,000 property damage to the county vehicle and \$5,000 no-fault coverage. Max seconded the motion and the motion carried.

Dennis made a motion to authorize Doug to settle claim number 801UTA927004 up to \$15,000. Gary Sullivan seconded the motion and the motion carried.

Other Business

Gary Sullivan made a motion to go into Executive Session to discuss the Consulting Services Proposal. Dennis seconded the motion and the motion carried.

Gary Sullivan made a motion to come out of Executive Session. Dennis seconded the motion and the motion carried.

Gerald made the motion to accept the Consulting Services Proposal for 1994. Dixie seconded the motion and the motion carried.

The next Board of Directors meeting is scheduled for April 22, 1994, 12:00 noon in Utah County.

Meeting was adjourned

**UAC INSURANCE MUTUAL
MINUTES, BOARD OF DIRECTORS
EXECUTIVE SESSION
(Litigation and Claims Report)**

March 11, 1994
The Homestead, Midway, Utah

Members Present: Gary Herbert, Utah County Commissioner
Max Adams, Uintah County Commissioner
Dennis Ewing, Tooele County Clerk
Gerald Hess, Davis County Deputy Attorney
Ty Lewis, San Juan County Commissioner
Gary Sullivan, Beaver County Commissioner
Dixie Thompson, Emery County Commissioner

Members Absent: Ken Brown, Rich County Commissioner
Sid Groll, Cache County Sheriff

Others Present: Kent Sundberg, Utah County Deputy Attorney
Brent Gardner, UACIM Administrator
Sonya White, UACIM Administrative Assistant
Leland Hogan, Tooele County Commissioner
Harry Bowes, UACIM Consultant
Jess Hurtado, AIMS Vice President/UACIM Broker
Keri Chappell, AIMS Technical Assistant
Doug Alexander, AIMS Branch Manager
Dean Bachman, AIMS Service Representative
Wes Brubaker, AIMS of Texas Vice President

Executive session was held to discuss the Litigation Committee and Claims Report.

**UAC INSURANCE MUTUAL
MINUTES, BOARD OF DIRECTORS
EXECUTIVE SESSION**

March 11, 1994
The Homestead, Midway, Utah

Members Present: Gary Herbert, Utah County Commissioner
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Others Present: Kent Sundberg, Utah County Deputy Attorney
Brent Gardner, UACIM Administrator
Sonya White, UACIM Administrative Assistant

Executive session was held to discuss the Consulting Services Proposal.

Agenda

UAC INSURANCE MUTUAL BOARD OF DIRECTORS MEETING

March 11, 1994, 8:00 a.m.

The Homestead
700 North Homestead Road
Midway, Utah

LOSS CONTROL SEMINAR: Aon Insurance Management Services, Inc.

8:00 AM Continental Breakfast

AGENDA TOPICS

8:30 AM	Pool Development	Jess Hurtado
	a. Formation	
	b. Membership (New Members)	
	UAC Insurance Mutual (Today)	
	a. Loss Review	Jess Hurtado
	b. Loss Control Review	David Nelson
	Loss Control Presentation	Wes Brubaker
	Administrative Services	Jess Hurtado
	Review	Jess Hurtado
	Comments from the Board	
12:15 PM	Lunch	

BOARD OF DIRECTORS: Utah Association of Counties Insurance Mutual

AGENDA TOPICS

1:30 PM	Call to Order	Gary Herbert	
	Review and Approval of January Minutes	Gary Herbert	
	Loss Prevention Report	David Nelson	
	Loss Summary & Financial Statements Review	Brent Gardner	
	Inmate Excess Medical Insurance	Brent Gardner Sid Groll	
	Broker Report		
	a. Airport Liability Exposure	Jess Hurtado	
	b. Property Claims	Jess Hurtado	
	c. Workers Comp Update	Keri Chappell	
	d. Boiler & Machinery Coverage	Keri Chappell	
	Consultant Report	Harry Bowes	
	Board Approval for Claims Over \$10,000	Gary Herbert	
	Litigation Committee & Claims Report	Kent Sundberg Doug Alexander	
	Other Buisness		
	3:30 PM	Adjourn	



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

MEMORANDUM

DATE: March 24, 1994

TO: All UACIM Member County Officials

FROM: L. Brent Gardner, Administrator

RE: Public Officials Surety Bonds

It has been brought to the attention of the UAC Insurance Mutual that pursuant to Utah Code Annotated, §17-16-11, §52-1-13, and §52-2-1, there are bonds required by Utah State Law that may not have been obtained by the elected officials in the State of Utah. Problems have come up now that when so-called "constitutionalists" receive a citation or are a named defendant in criminal charges they challenge the capacity of the prosecuting attorney, justice of the peace and any other public official acting in regards to their case, with the lack of capacity to act officially because of the failure to obtain these bonds.

It is not the intent of the excess carriers or the UAC Insurance Mutual to cover surety requirements set by the State of Utah. The intent of the surety bond is to separate public officials as individuals from counties.

UACIM Insurance Brokers, Jess Hurtado or Keri Chappell (488-2550), can provide Public Official bonds through Western Surety Company or any local agent in your community should have the same capabilities.

If you have any questions or concerns, please contact me at 265-1331.

xc: UACIM Board of Directors
Harry Bowes, UACIM Consultant
Jess Hurtado, UACIM Broker
Doug Alexander, AIMS Branch Mngr.
David Nelson, UACIM Loss Prevention Mngr.
County Insurance Coordinator

December 6, 1993

Mr. John L. Hansen
County Auditor
Millard County
165 East 400 South
Fillmore, UT 84624

Dear John:

The purpose of this letter is to confirm our telephone conversation regarding Public Officials Surety Bonds and the UAC Insurance Mutual coverage.

As I mentioned, it is not the intent of the excess carriers or the UAC Mutual to cover surety requirements set by the State of Utah. Our office can provide these Public Official bonds, through Western Surety Company, for \$100 minimum premium. Any local agent in your community should have the same capabilities and you may find it more convenient to use their services.

For your review, please find attached a copy of the employee dishonesty form under the current excess liability policy for the Mutual. Note that this coverage applies to loss of "Money and Securities" and "Property other than money and securities" as it relates to dishonest acts of the county employee.

Although the intent of each form appears to be the same, I believe the intent of the surety bond is to separate public officials (as individuals) from counties.

I hope this clears up your questions concerning this issue and if upon your review, should you have any further concerns, please do not hesitate to contact me.

Sincerely,

Keri Chappell
Account Executive

Enclosures



MILLARD COUNTY ATTORNEY
MILLARD COUNTY,
STATE OF UTAH

RECEIVED JAN 03 1994

LeRAY G. JACKSON
Millard County Attorney
259 N. Highway 6
P.O. Box 545
Delta, Utah 84624
(801) 864-2716

Please reply to: **LeRay G. Jackson**
Delta Office

December 30, 1993

DEXTER L. ANDERSON
Chief Deputy County Attorney
750 South Highway 99, SR Box 52
Fillmore, Utah 84631
(801) 743-6522

Brent Gardner
Utah Association of Counties
4021 South 700 East, Suite 180
Salt lake City, Utah 84107

RE: Official Bonds

Dear Brent:

Reference is made to Utah Code Annotated, §17-16-11, §52-1-13, and §52-2-1. As you will see from reading these code citations, there are bonds required by Utah State Law that are not currently being furnished by UAC Mutual. I doubt that any of the county officials in the State of Utah have obtained any of these required bonds. I know for a fact that none of the elected officials in the Fourth Judicial District have done so and seriously doubt that any elsewhere in the state have obtained the bonds. The problem has come up now when so-called "constitutionalists" receive a citation or are a named defendant in criminal charges they challenge the capacity of the prosecuting attorney, justice of the peace and any other public official acting in regards to their case, with the lack of capacity to act officially because of the failure to obtain this bond. There are two Utah cases where the Court Appeals have not dismissed criminal charges because of the failure of the public officials to obtain the bond but there is some dicta or inference in these cases which would lead one to believe that the bonds either should be obtained or the statutes requiring such bonds should be repealed. The two cases are: State vs. Gambrell 814P2d 1136 and State vs. Sawyers 819P2d 806.

Would you please look into this to see what can be done. I would recommend that the Utah Association of Counties do one of the following: (1) UAC Mutual could provide the bonds as part of the insurance coverage for the member counties; or (2) Utah Association of Counties could sponsor legislation repealing these Utah Statutes.

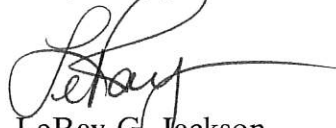


Brent Gardner
Utah Association of Counties
December 30, 1993

Page 2

If you have any questions please give me a call. I would be more than happy to discuss this with you since it is a problem which will be faced by several of the counties, at least in the rural areas where so many of these so-called "constitutionalists" live.

Very truly yours,

A handwritten signature in cursive script, appearing to read "LeRay", with a long horizontal flourish extending to the right.

LeRay G. Jackson
Millard County Attorney

LGJ/vlj





UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

March 23, 1994

«NAME» «LAST»
«COUNTY» County «TITLE» «CHAIR»
«ADDRESS»
«CITY_ADDRESS»

RE: Vehicle Physical Damage/Driver Liability

Dear «TITLE» «LAST»:

I am writing in addition to the letter dated March 7, 1994, from the UACIM Loss Prevention Manager, David Nelson. His letter addressed the disturbing trend of automobile physical damage and the accompanying driver liability. These trends were discussed in detail at the last UACIM Board of Directors meeting. The Board felt that it would be of assistance to your county if the Losses by Department were reviewed in order to locate problem areas. As of February 28, 1994, the following are «COUNTY» County's Losses by Department:

<u>TOTAL LOSSES</u>	<u>DEPARTMENT</u>
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In David's letter, he listed four (4) policies for the counties to implement in order to slow and even eliminate this trend. Within the next sixty days we ask that you outline, in writing, the counties progress and implementation of these policies. Please mail or FAX this outline to our office at the above address or number. We appreciate your time and effort which will as a whole benefit the UAC Insurance Mutual.

Sincerely,

L. Brent Gardner
Administrator

4021 SOUTH 700 EAST
SUITE 180
MURRAY
UTAH 84107
801-265-1331
FAX 801-265-9485

xc: UACIM Board of Directors
David Nelson, Loss Prevention Mngr.
Doug Alexander, AIMS Branch Mngr.
Harry Bowes, UACIM Consultant
Jess Hurtado, UACIM Broker
«UACIM_Contact», «COUNTY» County Insurance Coordinator

UAC MULTILINE POOL

LOSSES BY DEPARTMENT

As of 02/28/94

TOTAL LOSSES	COUNTY	DEPARTMENT
\$3,954.00	BEAVER	LAW ENFORCEMENT
\$1,080.00	BEAVER	WEED CONTROL
\$11,634.30	BOX ELDER	LAW ENFORCEMENT
\$7,740.59	BOX ELDER	ADMINISTRATION
\$2,220.56	BOX ELDER	ROAD AND BRIDGE
\$600.00	BOX ELDER	HEALTH DEPARTMENT
\$109.86	BOX ELDER	WEED CONTROL
\$26.00	BOX ELDER	COMMUNITY SERVICES
\$86,958.07	CACHE	ADMINISTRATION
\$9,500.00	CACHE	LAW ENFORCEMENT
\$707.61	CACHE	ROAD AND BRIDGE
\$501.96	CACHE	COMMUNITY SERVICES
\$65,610.68	DAVIS	LAW ENFORCEMENT
\$58,923.01	DAVIS	SOCIAL SERVICES
\$10,739.17	DAVIS	ROAD AND BRIDGE
\$7,720.50	DAVIS	PUBLIC SAFETY
\$7,412.77	DAVIS	AMBULANCE SERVICE
\$7,250.04	DAVIS	ADMINISTRATION
\$5,000.00	DAVIS	HEALTH DEPARTMENT
\$3,022.73	DAVIS	WEED CONTROL
\$2,744.21	DAVIS	TRANSIT/PUBLIC TRANSPORTATION
\$2,165.00	DAVIS	MISCELLANEOUS
\$798.30	DAVIS	COMMUNITY SERVICES
\$5.00	DAVIS	LIBRARY
\$21,625.00	DUCHESNE	ROAD AND BRIDGE
\$13,500.00	DUCHESNE	MISCELLANEOUS
\$9,408.99	DUCHESNE	ADMINISTRATION
\$2,132.29	DUCHESNE	PUBLIC SAFETY
\$1,500.00	DUCHESNE	LAW ENFORCEMENT
\$61,779.61	EMERY	LAW ENFORCEMENT
\$51,836.78	EMERY	ROAD AND BRIDGE
\$6,638.50	EMERY	ADMINISTRATION
\$595.63	EMERY	MISCELLANEOUS

UAC MULTILINE POOL

LOSSES BY DEPARTMENT

As of 02/28/94

TOTAL LOSSES	COUNTY	DEPARTMENT
\$22,500.00	GARFIELD	ROAD AND BRIDGE
\$5,000.00	GARFIELD	ADMINISTRATION
\$2,720.00	GARFIELD	LAW ENFORCEMENT
\$418.06	GARFIELD	COMMUNITY SERVICES
\$20,000.00	GRAND	PUBLIC SAFETY
\$16,012.41	GRAND	ROAD AND BRIDGE
\$6,505.00	GRAND	COMMUNITY SERVICES
\$5,500.00	GRAND	LAW ENFORCEMENT
\$2,851.46	GRAND	ADMINISTRATION
\$2,091.20	GRAND	MISCELLANEOUS
\$173,691.46	IRON	ROAD AND BRIDGE
\$51,390.53	IRON	HEALTH DEPARTMENT
\$5,175.58	IRON	ADMINISTRATION
\$3,562.59	IRON	COMMUNITY SERVICES
\$727.52	IRON	LAW ENFORCEMENT
\$616.48	IRON	AMBULANCE SERVICE
\$17,070.00	MILLARD	LAW ENFORCEMENT
\$5,336.00	MILLARD	ADMINISTRATION
\$1,268.09	MILLARD	ROAD AND BRIDGE
\$222.25	MILLARD	MISCELLANEOUS
\$1,577.41	RICH	LAW ENFORCEMENT
\$60,500.00	SAN JUAN	ADMINISTRATION
\$18,114.19	SAN JUAN	LAW ENFORCEMENT
\$13,000.00	SAN JUAN	PUBLIC SAFETY
\$1,833.27	SAN JUAN	ROAD AND BRIDGE
\$1,037.89	SAN JUAN	COMMUNITY SERVICES
\$675.50	SAN JUAN	SOCIAL SERVICES
\$55,225.00	SANPETE	LAW ENFORCEMENT
\$32,887.16	SANPETE	ROAD AND BRIDGE
\$27,122.27	SEVIER	COMMUNITY SERVICES
\$14,270.31	SEVIER	LAW ENFORCEMENT
\$311.31	SEVIER	ADMINISTRATION
\$302.03	SEVIER	WEED CONTROL

UAC MULTILINE POOL

LOSSES BY DEPARTMENT

As of 02/28/94

TOTAL LOSSES	COUNTY	DEPARTMENT
\$177,760.12	TOOELE	ADMINISTRATION
\$25,481.53	TOOELE	LAW ENFORCEMENT
\$6,355.63	TOOELE	ROAD AND BRIDGE
\$3,774.21	TOOELE	HEALTH DEPARTMENT
\$2,217.16	TOOELE	COMMUNITY SERVICES
\$1,884.48	TOOELE	MISCELLANEOUS
\$110,877.81	UINTAH	LAW ENFORCEMENT
\$110,683.49	UINTAH	MISCELLANEOUS
\$26,306.75	UINTAH	ADMINISTRATION
\$11,477.11	UINTAH	ROAD AND BRIDGE
\$2,500.00	UINTAH	SOCIAL SERVICES
\$288.02	UINTAH	HEALTH DEPARTMENT
\$174.90	UINTAH	PUBLIC SAFETY
\$69.80	UINTAH	COMMUNITY SERVICES
\$60.00	UINTAH	LIBRARY
\$93,519.09	UTAH	ROAD AND BRIDGE
\$76,371.75	UTAH	LAW ENFORCEMENT
\$16,407.67	UTAH	FEDERAL JOB PROGRAMS
\$13,600.00	UTAH	ADMINISTRATION
\$74,758.13	WASHINGTON	LAW ENFORCEMENT
\$6,000.00	WASHINGTON	WEED CONTROL
\$5,224.60	WASHINGTON	COMMUNITY SERVICES
\$2,239.62	WASHINGTON	ADMINISTRATION
\$2,277.06	WASHINGTON	SOCIAL SERVICES
\$2,266.88	WASHINGTON	PUBLIC SAFETY
\$1,516.17	WASHINGTON	ROAD AND BRIDGE
\$900.00	WASHINGTON	LIBRARY
\$18,500.00	WATASCH	LAW ENFORCEMENT
\$9,373.34	WATASCH	ROAD AND BRIDGE
\$7,028.80	WATASCH	PUBLIC SAFETY
\$5,360.60	WATASCH	ADMINISTRATION
\$4,750.00	WATASCH	LANDFILL
\$2,865.15	WATASCH	WATER/SANITATION
\$525.00	WATASCH	MISCELLANEOUS
\$803.55	WAYNE	AMBULANCE SERVICE
\$398.44	WAYNE	LAW ENFORCEMENT

TOTAL \$1,859,552.99



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

March 7, 1994

«FIRST» «LAST»
«COUNTY» County «TITLE» «CHAIR»
«ADDRESS»
«CITY_ADDRESS»

Re: Vehicle Physical Damage/Driver Liability

Dear «TITLE» «LAST»:

Over the past few months, a very disturbing trend has surfaced among UACIM member counties. I am referring to claims/losses resulting from automobile physical damage and the accompanying driver liability. This is a very serious situation now and will be even more so, if not curtailed. I am, therefore, requesting your help and cooperation in slowing this trend down and even eliminating it. With the county implementation of the following, I believe we can do just that:

1. Check to see that each and all county drivers have current valid driving licenses. This would apply to volunteer drivers as well. If a driver is found to be lacking a license, driving privileges should be withheld until a valid license is issued and verified.
2. Review now and annually thereafter, county driver MVR's in order to reveal problem drivers; those with citations, accidents or DUI's. Drivers should not be allowed to drive who have exhibited unsafe driving. This also would apply to volunteer drivers.
3. Organize and implement an accident review board. See the attached information as a guideline.
4. Provide driver training on an ongoing basis. This would include the DDC or similar. Please maintain a record of attendees. This training would apply to volunteer drivers as well.

As always, I will be very happy to help you in your county loss prevention efforts. Please let me know if the need exists. I would appreciate your feelings and intent as to the implementation of these suggestions.

Sincerely,

David L. Nelson
Loss Prevention Manager

DLN:sw

Attachment

xc: Brent Gardner, UACIM Administrator
Jess Hurtado, UACIM Broker
Harry Bowes, UACIM Consultant
Doug Alexander, AIMS Branch Mngr.
«UACIM_Contact», «COUNTY» County Insurance Coordinator

ACCIDENT REVIEW COMMITTEE

An accepted standard for safe driving performance is the ability to drive without having a preventable accident. A preventable accident is defined by the National Safety Council's Safe Driver Award Program as: "...any accident involving a vehicle that results in property damage or personal injury in which the driver in question failed to *exercise every reasonable precaution to prevent the accident*. This is regardless of who was injured, what property was damaged, the extent of the injury or damage, or where the accident occurred."

The key word in the definition of a preventable accident is "reasonable." How this word is interpreted when applied to actual accident cases will determine how high the standard of safety performance will be in a particular fleet. If interpreted too strictly, drivers may conclude that the municipality expects too much of them ---and give up trying to meet fleet safety standards. If, on the other hand, reasonable is loosely interpreted, driving errors may be overlooked, go unchecked, and become the cause of similar accidents. This can cause the municipal safety record to fall far short of its possibilities.

The preventable and nonpreventable classifications are often used to decide if a driver should be disciplined in accordance with municipal fleet safety policy rules and regulations. An accident that, in the safety director's or accident review committee's best judgment, was nonpreventable should not be charged against the driver's fleet safety record.

Some accidents are obviously preventable or nonpreventable. Others are not as easy to classify. When the safety director has sole responsibility for classifying these borderline cases, this can affect the safety director's relationship with the drivers. Care must be taken to ensure that all the facts are determined by thorough investigation, so a proper and consistent preventability determination can be made. Note that fault

determination and preventability determination are not synonymous.

Review committee members. The function of the accident review committee is to form an opinion about an accident's preventability. To do this, the committee members should represent all departments directly involved in the safety program:

1. A representative from the safety department, to serve as chairperson, familiar with accident prevention principles, safety supervision, and municipal safety policies and procedures.
2. A representative from the fleet department, familiar with operating rules, schedules, routes, speed limits, and related subjects.
3. A representative from the maintenance department, familiar with municipal vehicles' mechanical specifications and with maintenance policies.
4. Two drivers, familiar with traffic conditions, job requirements, and maintenance policies.

An odd number of members is desirable in order to break a tie vote. The chairperson usually does not have a vote, but acts as overseer, keeps order, and directs the meeting.

Membership on the accident review committee should be rotated, but only one member at a time. This allows the new member to absorb some of the experience of the senior members before another member is rotated. Ideally, when new members join the committee, they should receive orientation on the committee functions and the basic principles of defensive driving.

Committee procedures. The committee chairperson presents the facts about each accident under review. Accidents are referred to by a file number only and the driver's name

should never be mentioned, nor should the driver appear in person before the committee. The driver is represented by data on the accident report and other factual information.

The accident facts are presented through the following documentation:

- Driver's accident report
- Municipal investigation reports
- Police investigation reports
- Insurance company investigation reports
- Witness statements
- Diagrams, photographs, and other evidence

After presenting the facts, the chairperson should guide the discussion. The first question is "Could the driver have reasonably prevented this accident?" A second question might be, "Was there sudden, unexpected mechanical or electrical failure of equipment or a sudden natural catastrophe?"

The decision of the accident review committee should not be taken lightly. When a particular accident has been declared preventable or nonpreventable, a precedent may have been set that could influence future decisions. Each case, however, is unique and must be judged on its own merits and circumstances.

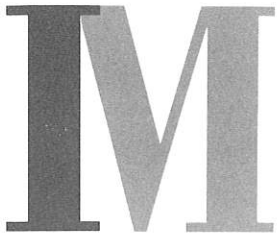
Presenting the decision. The driver's supervisor should inform the driver in writing of the committee's decision. If the accident was judged preventable, the reasons should be given. A copy of the decision should be placed in the driver's personnel file. Depending on municipal policy, a copy may be given to the driver's immediate supervisor or union official.

Appeal process. Only when there is a reasonable doubt or when the person having primary jurisdiction is unable to convince the driver that the accident was preventable, should an accident be referred to the accident review committee.

But suppose the driver is not satisfied with the decision of the accident review committee? In some municipalities, there may be no recourse. Other municipalities, recognizing that the factor of morale is involved, provide an additional assurance of fair play. They take advantage of the National Safety Council's Accident Review Committee.

The recommended practice is to allow the driver to make a written appeal on any decision from the municipality's accident review committee within 10 days after receiving the decision. The driver should state in the appeal why the accident should have been judged nonpreventable. The appeal should be submitted to the safety director.

The safety director then sends six copies of the accident report with all supporting documentation and the driver's appeal to the National Safety Council with the request it be referred to the Accident Review Committee for an opinion (refer to the National Safety Council Safe Driver Award Rules). (*Fleet Safety Program Guide* 1988, 35-37.)



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

LOSS PREVENTION REVIEW

*UACIM BOARD OF DIRECTORS MEETING
MARCH 11, 1994*

1. Newsletter - Our first issue has been distributed. The next issue will be out in June. We would appreciate any comments from the Board or others.
2. Loss prevention outside legal consulting implemented - This will be of great help to the member counties and, in fact, has already helped.
3. County policy questionnaire (see attached) - county recommendations issued as necessary.
4. Jail Standards revisions by Gary DeLand - going forth with anticipated completion this year. The Litigation Management Committee would like to review the finished product, any comments from the Board?
5. County Risk Reviews and Training - going forth with some delay in January and February.

COUNTY	UACIM MEMBER COUNTY QUESTIONNAIRE						
	Personnel Policy & Procedure Manual		County Employee Private Vehicle Use		"High Speed" Pursuit Policy		Date Reply Received
	YES	NO	YES	NO	YES	NO	
BEAVER							
BOX ELDER	✓		✓		✓		1/11/94
CACHE	✓		✓		✓		1/10/94
DAVIS	✓		✓		✓		1/18/94
DUCHESNE	✓		✓		✓		1/10/94
EMERY	✓			✓	✓		1/10/94
GARFIELD	✓		✓			✓	1/10/94
GRAND	✓		✓		✓		1/13/94
IRON	✓		✓		✓		1/12/94
JUAB	✓		✓			✓	1/12/94
KANE	✓		✓		✓		1/13/94
MILLARD	✓		✓		✓		1/12/94
PIUTE		✓	✓		✓		1/18/94
RICH							
SAN JUAN	✓		✓			✓	1/19/94
SANPETE	✓		✓		✓		1/12/94
SEVIER	✓		✓		✓		1/13/94
TOOELE	✓		✓		✓		1/11/94
UINTAH	✓		✓		✓		1/13/94
UTAH	✓		✓		✓		1/21/94
WASATCH	✓		✓		✓		1/18/94
WASHINGTON	✓		✓		✓		1/24/94
WAYNE		✓	✓			✓	1/10/94

March 23, 1994

Dear «COUNTY» Commission:

The Utah Association of Counties Insurance Mutual (UACIM) which is now in its third year of service to the member counties requires your support and assistance to assure coordination and future reductions of losses and costs.

The Mutual has significantly expanded our coverage. Cost increases for the past three years has been substantially below the market trends. These benefits result from the high level of self-insurance retained by the Mutual, our collective power in the market to purchase umbrella protection through stop-loss and excess aggregate insurance, a UACIM in-house dedicated claims administration, and a targeted loss control effort.

The national excess insurance market is very sensitive in setting their rate by their perceived evaluation of the UACIM's loss prevention efforts and its loss trends.

Between 1992 and 1993, the UACIM has experienced an escalation of losses in areas such as property auto physical damage and liability for wrongful termination. These areas can and must be addressed by all member counties. To be effective, loss prevention policies require support from the County Commission down through management to the individual employee.

We now have the statistics to determine loss trends and target areas requiring corrective action. This data is a powerful management tool which UACIM is committed to utilizing for the collective benefit of the member counties. Loss prevention is in our cooperative control.

The UACIM Board of Directors is requesting that each County Commission designate a Commissioner as a liaison to the Mutual. In addition, it is essential that each county designate a county loss prevention/loss control representative and an insurance coordinator to work closely with the UACIM Loss Prevention Manager.

Please use the enclosed form to forward your county's designee(s) to the UACIM Board of Directors. Your immediate attention and support is appreciated.

Sincerely,

Gary Herbert
UACIM President

xc: UACIM Board of Directors
Brent Gardner, UACIM Administrator
David Nelson, UACIM Loss Prevention Mngr.
Harry Bowes, UACIM Consultant
Jess Hurtado, UACIM Broker
Doug Alexander, AIMS Branch Mngr.
«F_NAME» «L_NAME», «COUNTY» Insurance Coordinator

**UTAH ASSOCIATION OF COUNTIES
INSURANCE MUTUAL**

LOSS PREVENTION TEAM

«COUNTY»

COMMISSIONER DESIGNEE:

NAME _____

ADDRESS _____

PHONE _____

INSURANCE COORDINATOR:

NAME, TITLE _____

ADDRESS _____

PHONE _____

LOSS PREVENTION REPRESENTATIVE:

NAME, TITLE _____

ADDRESS _____

PHONE _____

The Commissioner designee shall serve as the county liaison to the UACIM Board of Directors, attend membership and special UACIM meetings, and keep the County Commission informed on the UACIM activities and provide input to the UACIM Board regarding county concerns and suggestions for improved operations, coverage, and services.

The County Insurance Coordinator shall receive and appropriately distribute communications. Assist in expediting billings, coordinate communications regarding claims between the UACIM Claims Administrator and the County officials, work with the County Loss Control Representative and the UACIM Loss Prevention Department, and advise the County Commission of UACIM activities.

The County Loss Control Representative shall communicate, coordinate, disseminate, and implement directives from the UACIM Loss Prevention Manager as well as assist with safety inspections and assure appropriate loss prevention training and seminars for County departments and employees. This position should be granted the authority by the County Commission to shut down, control or terminate any activity or physical situation that creates an immediate for liability or potential injury to the public or to county employees.

Please mail or fax before April 1, 1994 to:

UAC Insurance Mutual
4021 South 700 East, Suite 180
Salt Lake City, Utah 84107
FAX (801) 265-9485

DRAFT LETTER FROM UACIM BOARD REQUESTING
APPOINTMENTS

March 18, 1994

Dear ----- Board of County Commissioner:

The Utah Association of Counties Insurance Mutual (UACIM) which is now in its third year of service to the member counties requires your support and assistance to assure coordination and future reductions of losses and costs.

The Mutual has significantly expanded our coverage. Cost increases for the past three years has been substantially below the market trends. These benefits result from the high level of self-insurance retained by the Mutual, our collective power in the market to purchase umbrella protection through stop-loss and excess aggregate insurance, a UACIM in-house dedicated claims administration, and a targeted loss control effort.

The national excess insurance market is very sensitive in setting their rate by their perceived evaluation of the UACIM's loss prevention efforts and it's loss trends.

Between 1992 and 1993, the UACIM has experienced an escalation of losses in areas such as property auto physical damage and liability for wrongful termination. These areas can and must be addressed by all member counties. To be effective, loss prevention policies require support from the Boards of County Commissioner down through management to the individual employee.

We now have the statistics to determine loss trends and target areas requiring corrective action. This data is a powerful management tool which UACIM is committed to utilizing for the collective benefit of the member counties. Loss prevention is in our cooperative control.

The UACIM Board of Directors is requesting that each Board of County Commissioners designate a Commissioner as a liaison to the Mutual. In addition, it is essential that each county designate a UACIM coordinator and a county loss prevention/loss control officer.

Please use the enclosed form to forward your county's designee(s) to the UACIM Board of Directors. Your immediate attention and support is appreciated.

Sincerely,

Gary Herbert

UTAH ASSOCIATION OF COUNTIES
INSURANCE MUTUAL

COUNTY

COMMISSIONER DESIGNEE

UACIM COUNTY COORDINATOR, TITLE

COUNTY LOSS PREVENTION OFFICER, TITLE

The Commissioner designee shall serve as the county liaison to the UACIM Board of Directors, attend membership and special UACIM meetings, and keep the County Board of Commissioners informed on the UACIM activities and provide input to the UACIM Board regarding county concerns and suggestions for improved operations, coverage, and services.

The County UACIM Coordinator shall receive and appropriately distribute communications. Assist in expediting billings, coordinate communications regarding claims between the UACIM Claims Administrator and the County officers, work with the County Loss Control Officer and the UACIM Loss Prevention Department, and advise the Board of County Commissioners of UACIM activities.

The County Loss Control Officer shall communicate, coordinate, disseminate, and implement directives from the UACIM Loss Prevention Officer as well as assist with safety inspections and assure appropriate loss prevention training and seminars for County departments and employees. This position should be granted the authority by the County Board to shut down, control or terminate any activity or physical situation that creates an immediate for liability or potential injury to the public or to county employees.

**Utah Association of Counties
Insurance Mutual**

**POLICY ON
LATE PREMIUM PAYMENTS**


The UAC Insurance Mutual payment deadline for Member Counties to submit their total annual premium and surplus contribution to UACIM is January 31, of each year.

Premium payments not received 30 days following the policy deadline will be charged interest at the rate of 2% above the federal prime rate. Any changes in the specific application of the policy takes an action by the UACIM Board of Directors.

BOWES

Bowes Associates, Inc.

MEMO TO: UACIM Board of Directors

FROM: Harry P. Bowes 

DATE: March 18, 1994

RE: UACIM Policy on Delinquent Payments

The only reference to Board consideration of a delinquency policy is found in the Board Minutes of February 20, 1992, which read as follows:

"Hurtado provided a list of counties who have not paid their contributions/premiums. The Bylaws state that payments are delinquent after 60 days. Notice have been mailed to delinquent counties. Bowes suggested that the Board set a policy on delinquent payments at the earliest opportunity. He suggested that interest be charged at prime rate or prime rate plus 2%, after the 60 day grace period."

**Utah Association of Counties
Insurance Mutual**

**JOINT POLICY ON
BOARD ATTENDANCE**

In accordance with the pool's Bylaws, a director's position may be declared vacant by official action of the respective Board of Directors when the director has accumulated two consecutive unexcused absences at duly called meetings for which the Director has received notification, or when a director resigns from the Board.

Excused absences will be granted only with advance notice received by the UAC Office prior to the Board meeting and approved by formal action of the Board.

In addition, Board members are encouraged to attend Pool Membership Meetings, held in conjunction with the UAC Midwinter and Annual Conferences.

**Utah Association of Counties
Insurance Mutual**

**JOINT POLICY ON
BOARD MEMBER RESPONSIBILITY**

Board Members of the Pool are representatives of a specific county, elected to govern on behalf of all counties in the Pool. Recognizing the possible conflicting nature of those representations, Board Members agree to abide by these guidelines.

The responsibilities of the Board Members are prescribed in the Bylaws entered into by each participating county. The Board Members responsibilities shall be consistent with the affected Bylaws.

Board Members shall exercise their responsibility to the Pool and the Pool's member counties in the following way:

First: To the mission of the Pools, to maintain financial and managerial integrity, and to serve all counties fairly.

Second: To express the needs and concerns of the counties that Board Members represents.

**Utah Association of Counties
Insurance Mutual**

**JOINT POLICY ON
CONFLICT OF INTEREST**

The Pool recognizes that the various members of the Board of Directors for the Multiline pool bring to the Pool a number of perspectives and interests that are created by the nature of the elective and appointive offices which they hold in their respective counties. The Pool recognizes that the members of the Board of Directors, accordingly, need a benchmark, criterion or standard against which to balance the competing interest they represent.

This policy is an attempt on behalf of the Pools to provide guidelines to the members of the Board of Directors regarding conflict of interest. It is the intention of the Joint Policy Committee that this policy would mesh with the Joint Policy on Board Member Responsibility and would provide practical guidance to Board Members in fulfilling their responsibilities as Board Members.

1. Board Members shall not request, receive, or accept a gift or loan for themselves or another if:
 - A. it tends to influence the Board Member in the discharge of his or her official acts as a Board Member; or
 - B. S/he, within two years, has been involved in any official act directly affecting the donor or lender or knows that s/he will be involved in any official act directly affecting the donor or lender in connection with his or her membership on the Board.
2. The prohibition set forth in Section 1 above shall not apply to:
 - A. an occasional nonpecuniary gift, insignificant in value;
 - B. an award publicly presented in recognition of public service;
 - C. a commercially reasonable loan made in the ordinary course of business by an institution authorized by the laws of the state to engage in the business of making loans; or

D. a political campaign contribution, provided that such gift or loan is actually used in a political campaign and is subject to Utah law regarding such gifts or loans.

3. Board Members shall disqualify themselves from participating in any official action of the Board that affects a business in which that Board Member has a financial interest as defined by Section 10-16-2 NMSA 1978, as amended.

4. Board Members shall not acquire a financial interest at a time when they believe or have reason to believe that it will be directly affected by their official action on the Board.

5. Board Members shall not use or divulge to any person confidential information acquired by virtue of their membership on the Board for their or another's private gain. Confidential information for the purpose of this paragraph shall be defined as all information disclosed or discussed in any executive session of the Board and any information disclosed or discussed in any meeting of the Board which is confidential under law, statute or practice and which is otherwise not available to the public.

6. Every Board Member who has a financial interest which that Member believes or has reason to believe may be affected by actions of the Pool shall disclose the precise nature and value of that interest. The disclosure shall be made in writing and the minutes of the Board Meeting at which such disclosure occurs shall reflect that the disclosure has been filed. In any event, disclosure shall be made not less than once per year at the first Board Meeting of the fund year.

7. The information on the disclosures, except for the valuations attributed to the reported interests, shall be made available by the Secretary of the Board for inspection by any Pool member county representative. The valuation shall be confidential for all purposes except for proceedings for violation of the disclosure requirement of this policy.

**Utah Association of Counties
Insurance Mutual**

**PREAMBLE
TO AN OATH ON**

BOARD MEMBER ETHICS

As a Member of the Board of Directors for the Pool, I recognize my fiduciary duty to the Pool as set forth in the Bylaws of the Pool. Acknowledging that fiduciary duty, I recognize my responsibility to inform and be informed with respect to issues affecting the Pool, and to actively participate in the decision making activities of the Board.

Further, I recognize that my conducts should be consistent with the goals and objectives of the Pool, and should engender the respect, trust and support of those we serve.

I recognize that when I am engaged in Pool Business, I should conduct myself at all times so as to avoid any appearance of impropriety, or any appearance that I have used by position on the Board improperly.

I respect the opinions of my fellow Board Members, although we may disagree from time to time, and recognize that fellow Board Members should always be treated fairly, with dignity and respect.

I acknowledge that my responsibility is not to manage the Pool, but to see to it that the Pool is well managed. To that end, I will extend the same courtesy, professionalism, respect and dignity to the Pool's administrator and staff as I would to my fellow Board Members, providing them with the support, authority and cooperation necessary to further the best interest of the Pool.

**Utah Association of Counties
Insurance Mutual**

**JOINT POLICY ON
INVESTMENTS**

This policy is intended to provide guidelines for the prudent investments of the Multiline Pool's available funds. It also outlines the policies for maximizing the efficiency of the Pool's cash management systems. The Pool's cash management systems should accurately monitor and forecast expenditures and revenues, thus enabling the Pool to invest funds to the fullest extent possible. The ultimate goal is to acquire the highest rate of return on investments while protecting the Pool's funds.

Investments shall be reviewed at least annually by the Board. Investments shall be accounted for each contribution year of the pool.

The Pool strives to maintain the level of investment of all funds as near to 100% as possible, through projected cash flow determinations. The Pool attempts to obtain the highest yield obtainable as long as the investments meet the criteria established for safety and liquidity.

The Pool invests in accordance with the (applicable State Law requirements) and with the advice and consent of the Pool's Board of Directors.

The Pool's Portfolios shall be limited to the following investment instruments and will collateralize in accordance with state law and this policy. (Example - adjust to State Law).

Certificates of Deposit:

Each portfolio consists of Certificates of Deposit (CD's) with commercial banks or savings and loan institutions within the United States. The amount of CD's with a financial institution shall not exceed one hundred thousand dollars (\$100,000), unless the CD's are collateralized at a rate of 120%.

U.S. Government Obligations:

The Pool's portfolio may be invested in U.S. Government securities, including Treasury Bills, Notes, Bonds, Strips and Government Securities that are backed by the full faith and credit of the U.S. Government. These investments shall be obtained only through a licensed security dealer.

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Collateralized Repurchase Agreements:

Each portfolio may also consist of collateralized repurchase agreements (RP), as permitted by state law. An RP consists of two simultaneous transactions. One is the purchase of securities by an investor, the other is the commitment by the seller to repurchase the securities at the same price, plus accrued interest, at some mutually collateralized at a rate of 100%.

The following are the prioritized criteria for selecting and managing investments.

1. Safety

A. When investing the Pool's money, it is the primary duty and responsibility of UAC to protect, preserve and maintain intact cash and investments placed in its trust. The safety and risk associated with investments refer to the potential loss of principal, interest, or a combination of those amounts.

B. The Board of Directors recognize the importance of maintaining continuity in the investment of funds, and direct that those funds be continually invested by UAC within the scope of this policy together with the advice and consent of the Pool's Board of Directors.

C. The Board of Directors direct that UAC implement the appropriate internal controls and written procedures to safeguard the investment and management of the Pool's funds.

2. Liquidity

An adequate percentage of each Pool's portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary, with a minimal chance of losing some portion of the principal or interest. Preservation of principal is the primary goal. Liquidity is an important investment quality, especially when the unexpected need for funds should occur.

3. Yield

Yield is a consideration only after safety and liquidity have been met. Yield is the potential dollar earning an investment can provide from either the rate of return or from the sale of a marketable instrument.

The basic premises underlying the Pool's investment philosophy is to ensure that the Pool's funds are always safe and available when needed.

**Utah Association of Counties
Insurance Mutual**

JOINT POLICY ON

SPECIAL EVENTS REQUIREMENTS

The Pool recognizes that counties occasionally have the need to provide special events for their citizens, events that fall outside the scope of daily operations for county governments. Smaller counties with rural fire halls, for example, often make those facilities available to local citizens for meetings and gathering when other public facilities are remote or unavailable. The pool recognizes that the counties must balance the needs of its citizenry with the need to exercise fairness and due caution in the provision of those services.

This policy is an attempt on behalf of the Pool to provide guidelines to counties for lending the use of its public facilities to groups not under the control or direction of county government.

Whenever possible, counties should require outside agencies and private citizens to provide proof of insurance coverage before lending the use of a county facility. Individuals using a county facility can request special coverage for a one-time event through their homeowners insurance. Outside agencies such as the Boy Scouts, Girl Scouts, and 4-H groups should be able to show proof of coverage through their parent organization. The UAC Multiline Pool can arrange special events coverage for third parties specifically for this purpose; coverage is available for individuals or for groups. Whenever possible, require proof of insurance before lending the use of county facilities. Insurance should be provided to the limits of tort liability (\$500,000 property damage and bodily injury, \$500,000 per occurrence), and should name the county as an additional insured.

However, in the event that proof of insurance is impracticable or unavailable, the Pool recommends that counties use the following guidelines.

1. Require the tenant to sign a contract that specifies the facility to be used, the date and time of use, the function (be specific), the number of people who will attend, and any rental fees to be paid. The contract should state that no alcohol will be served or consumed on the county premises, and that the county assumes no liability for the activity that will take place.

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Special Events

Page -2-

2. Require the tenant to sign a waiver to hold the county harmless from any harm or liability that results from the activity or function. Include language that clarifies who will be responsible for injury or damage.
3. Review the risks involved in the activity. Consider the worst case scenario; would the county be able to cover its liability if named as a party to the suit? What safeguards might be enacted to reduce the risk of injury or damage?
4. Will any county officials or employees attend the function? If anyone could be construed as representing the county, be sure that person is trained in the use and function of the facility, equipment, etc. and that s/he will adequately represent the interests of the county in maintaining safety and security.
5. Is the county truly a sponsor of the event? Is the activity within the course and scope of county services?

**Utah Association of Counties
Insurance Mutual**

**POLICY ON
RECOMMENDED PERSONNEL ADVICE**

The pool strongly urges member counties to consult with the Pool Risk Manager prior to dismissing, demoting, suspending or beginning leave without pay for county employees, especially if there is any questions about the correct procedure to follow or if that personnel action may result in a claim or suit against the county for wrongful process.

AON Insurance Management Services, Inc.

2180 South 1300 East # 500
Salt Lake City, UT 84152-6259
Telephone: (801) 488-2550
Telefax: (801) 488-2559

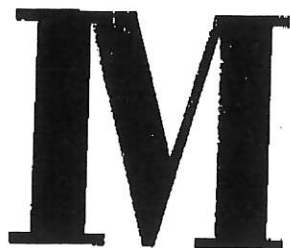
DATE: 2/1/94 FAX #: 265-9485
TO: Sonya White
FROM: JESS HURTADO
SUBJECT: UACIM - JOINT Policy STATEMENTS
PAGES: 1 (INCLUDING COVER SHEET)

COMMENTS: Please let me know if the mutual
maintains joint Policy Statements in the following
areas: If so, please send/Fax me a copy
of the policy statement

- 1) Joint Policy on Board Attendance
- 2) Joint Member Policy on Board Member Responsibility
- 3) Joint Policy on Conflict of Interest
- 4) Preamble to an oath on Board Member Ethics
- 5) Joint Policy on Investments
- 6) Joint Policy on Special Events Requirements
- 7) Policy on Recommended Personnel advice

Please let me know Jess

PLEASE CALL US IMMEDIATELY IF THERE ARE PROBLEMS DURING THIS TRANSMISSION AT (801) 488-2550.



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

**POLICY STATEMENT REGARDING EMINENT DOMAIN
AND/OR
INVERSE CONDEMNATION**

Adopted November 11, 1992

Retroactive to January 1, 1992, UAC Insurance Mutual excluded from the Loss Retention Fund and the Excess Liability Policy coverage for Eminent Domain and/or Inverse Condemnation cases. However, if an Eminent Domain and/or Inverse Condemnation claim is framed under "Civil Rights", coverage is provided for costs of defense only (not including in-house counsel) not to exceed \$50,000 to be paid on an equal basis by the pool and the county involved in the case.

The county involved shall be required to reimburse the pool for 50% of the defense costs to a maximum cost to the county of \$25,000. All defense costs, up to the maximum limit of \$50,000, will be paid by UAC Insurance Mutual, but the involved county will reimburse UAC Insurance Mutual within 20 working days after the county receives a request for payment from the Mutual.



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

MEMORANDUM

DATE: March 22, 1994

TO: UAC Insurance Mutual Members

FROM: L. Brent Gardner, Administrator *[Signature]*

RE: Airport Liability

The UAC excess liability policy, National Union, states that there is no coverage for "any liability...arising out of the operation of an airport or similar facility, whether owned or non-owned, except with respect to the maintenance of any buildings, premises or grounds incidental thereto."

Also, the excess carrier defines "airport or similar facility" as a designated site where aircraft (airplanes, helicopters, gliders) are permitted by the county to taxi, take-off or land. A designated site can be a dirt field, paved strip, grassland or a fully operational airport.

IF YOU ARE ALLOWING AIRCRAFT LANDING OR TAKE-OFF INCLUDING EMERGENCY MEDICAL AIRCRAFT AND/OR DESIGNATING A SITE FOR AIRCRAFT TO LAND, YOU DO NOT CURRENTLY HAVE COVERAGE THROUGH UAC INSURANCE MUTUAL. You do have premises liability coverage for any claims arising out of the maintenance of any type of airport facility.

If your county is operating any type of airport, you probably already have a policy providing coverage for the county. **If you are unsure as to your exposure, please do not hesitate to contact me at 265-1331 or Jess Hurtado, Aon Insurance Management Services, Inc. at 1-800-759-2001.** We are available to review any policies you have for your airports.

Aon Insurance Management Services, Inc.
2180 South 1300 East - Suite 500
Salt Lake City, Utah 84106
801/488-2550

Facsimile: 801/488-2559



RECEIVED FEB 18 1994

February 17, 1994

Mr. L. Brent Gardner
Utah Association of Counties
4021 South 700 East
Suite 180
Salt Lake City, UT 84107

Re: Airport Liability Exposure

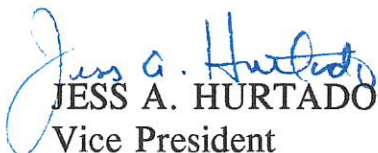
Dear Brent:

The issue of airport liability was recently brought up with the Colorado Counties Property and Casualty Pool. The attached memo was sent to the member counties to inform them of the policy conditions and exclusions.

It may be in the best interest of the Mutual to inform the Utah counties of the same conditions and exclusions regarding airport liability. Please review at your earliest convenience and let me know your thoughts.

I look forward to hearing from you.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jess A. Hurtado".
JESS A. HURTADO
Vice President

Enclosure

DATE: February 1, 1994
TO: CAPP Members
FROM: Jess A. Hurtado
Aon Insurance Management Services, Inc.
RE: Airport Liability

The CAPP excess liability policy (National Union) states that there is no coverage for "any liability ... arising out of the operation of an airport or similar facility, whether owned or non-owned, except with respect to the maintenance of any buildings, premises or grounds incidental thereto."

Also, the excess carrier defines "airport or similar facility" as a designated site where aircraft (airplanes, helicopters, gliders,) are permitted by the County to taxi, take-off or land. A designated site can be a dirt field, paved strip, grassland or a fully operational airport.

IF YOU ARE ALLOWING AIRCRAFT LANDING OR TAKE-OFF INCLUDING EMERGENCY MEDICAL AIRCRAFT AND/OR DESIGNATING A SITE FOR AIRCRAFT TO LAND, YOU DO NOT CURRENTLY HAVE COVERAGE THROUGH CAPP. You do have premises liability coverage for any claims arising out of the maintenance of any type of airport facility.

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Aon Insurance Management Services, Inc.
4021 South Seventh East - Suite 180
Salt Lake City, Utah 84107
801/288-0906

Facsimile: 801/288-9006



March 23, 1994

Name and Address ~

RE: County-owned automobiles repaired before reporting the loss.

Dear First Name ~ :

It has come to the attention of the UACIM claims administrators that a number of collision losses were not reported in a timely manner. Rather, the county-owned automobiles were repaired before the automobile loss notices were completed and filed with Aon Insurance Management Services.

This letter will serve as a reminder that your coverage with the UACIM and its underwriters, The St. Paul Property & Liability Insurance Company Policy Number: 102KA0537 Policy Period: 1/1/92 to 1/1/93, could be denied or disclaimed, if damaged property is repaired before reporting loss.

In the policy under "general conditions", the policy states:

5. DUE DILIGENCE CLAUSE:

The Insured shall use due diligence, and do and concur in doing all things reasonably practicable to avoid or diminish any loss of or damage to the property herein insured.

In addition, under "conditions", the policy states:

NOTICE OF LOSS.

The Insured shall as soon as practicable report to this Company or its agent every loss or damage which may become a claim under this Policy and shall also file with the Company or its agent within ninety (90) days from date of loss a detailed sworn proof of loss. Failure by the Insured to report the said loss or damage and to file such sworn proof of loss as hereinbefore provided shall invalidate any claim under this Policy for such loss.

AON Insurance Management Services, Inc.

2180 South 1300 East # 500
Salt Lake City, UT 84152-6259
Telephone: (801) 488-2550
Telefax: (801) 488-2559

DATE:

March 14 / 1994FAX #: 265-9485

TO:

L. Brent Gardner

FROM:

JESS HURTADO

SUBJECT:

Proper Claims

PAGES:

4

(INCLUDING COVER SHEET)

COMMENTS:

As per the UACIM Boardof Directors.Jan

PLEASE CALL US IMMEDIATELY IF THERE ARE PROBLEMS DURING
THIS TRANSMISSION AT (801) 488-2550.

Aon Insurance Management Services, Inc.

2180 South 1300 East - Suite 500

Salt Lake City, Utah 84108

801/488-2550

Facsimile: 801/488-2559



March 14, 1994

Mr. L. Brent Gardner
Administrator
UAC Insurance Mutual
4021 South 700 East, Suite 180
Murray, Utah 84107

Re: Property Claims

Dear Brent:

The purpose of this letter is to follow up on the UAC Insurance Mutual, Board of Directors approval to advise member counties that should they decide to repair or replace county property, prior to the submission of a claim, that coverage may be denied.

In the meeting I suggested that any and all correspondence concerning this issue be approved by you prior to being mailed to the member counties.

Respectfully,

JESS A. HURTADO
Vice President

Aon Insurance Management Services, Inc.
2180 South 1300 East - Suite 500
Salt Lake City, Utah 84108
801/488-2550

FILE

Facsimile: 801/488-2559



January 25, 1994

Mr. L. Brent Gardner
Administrator
UAC Insurance Mutual
4021 South 700 East, Suite 180
Murray, Utah 84107

Re: Property Claims

Dear Brent:

This letter is a follow up to the Risk Characteristic Report I received from Doug Alexander (copy attached) dated January 20, 1994.

I believe this issue is important enough to be brought before the Board and that consideration be given for the Board to provide claim submission requirements to the member counties.

Respectfully,

JESS A. HURTADO
Vice President

RISK CHARACTERISTIC REPORT

Claim Number	Loss Date	Date Reported	Location of Incident	Member
801CAC 94 7002	Various			Cache County
801WAT 93 7011				Wasatch County
801BOX 94 7003				Box Elder County

(Note: other counties also involved.)

GENERAL LIABILITY

- ☐ Failure to report loss immediately
- ☐ Accident or claim frequency
- ☐ Inadequate books and records
- ☐ Faulty or improperly used equipment
- ☐ Vacant building
- ☐ Violation of safety practices
- ☐ Inadequate maintenance
- ☐ Playground equipment has been modified or altered from specs.
- ☐ Attractive nuisance

AUTOMOBILE

- ☐ Hit and run
- ☐ Reckless driving
- ☐ Driving under influence
- ☐ Operator would make poor witness
- ☐ Operator "fell asleep" at wheel
- ☐ Operation without valid license
- ☐ Carries passengers for consideration
- ☐ Vehicle has been mechanically altered
- ☐ Keys left in ignition
- ☐ Operated by other than employee
- ☐ Phantom vehicle

PROPERTY

- ☐ Low insurance to value
- ☐ Faulty protective devices
- ☐ Flood area
- ☐ Premises is in poor condition
- ☐ Faulty or improper storage of flammables

CRIME

- ☐ Poor control procedures
- ☐ Inventory control not adequate

WORKERS' COMPENSATION

- ☐ Late reporting
- ☐ Incomplete reporting
- ☐ No designated physicians
- ☐ Unclean, hazardous, or unsafe workplace/machinery
- ☐ Improper protection equipment
- ☐ No light duty available
- ☐ Failure to enforce safety rules
- ☐ Lack of safety rules
- ☐ Improper training/lack of training
- ☐ OSHA violations
- ☐ Faulty or improperly used equipment
- ☐ Intoxication/drugs
- ☐ Lack of maintenance - equipment/premises
- ☐ No information on change of status (lost time/med. only)

☐ OTHER AND/OR DETAILS (BE SPECIFIC)

We have noticed a trend that is occurring in claim submission by member counties. Member counties are repairing county property before they submit claim documents and/or submitting claims not in a timely manner. These developments pose several problems in claim processing and management. First, by repairing property losses before submitting claim documents, counties place us at a disadvantage in managing repair costs and in subrogation efforts. Secondly, by holding onto notice of claim documents for ancilliary materials, counties hamper our ability to dispose of claims in a timely manner.

DATE: 1/20/94

SIGNED: [Signature]

cc: Brent Gardner, Executive Director, UACIM Kent Sundberg, LMC Chairman, UACIM
 Fred Madenwaldt, Senior Vice President, AIM Jerry Hesa, Vice President, UACIM Board
 Jess Hurtado, Assistant Vice President, AIM

Aon Insurance Management Services, Inc.
2180 South 1300 East - Suite 500
Salt Lake City, Utah 84106
801/488-2550

Facsimile: 801/488-2559



January 25, 1994

Mr. L. Brent Gardner
Administrator
UAC Insurance Mutual
4021 South 700 East, Suite 180
Murray, Utah 84107

RECEIVED JAN 26 1994

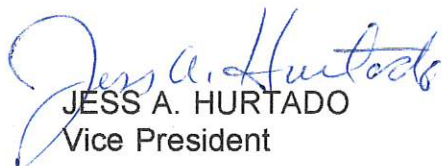
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JESS A. HURTADO
Vice President

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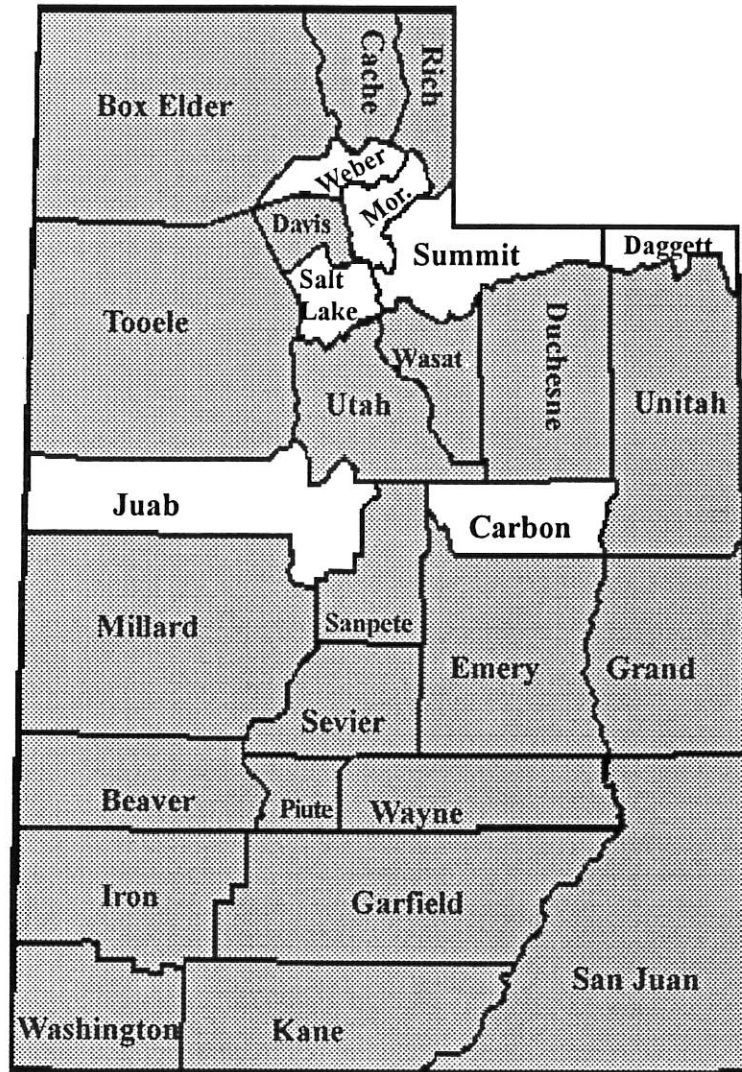
DATE: 11/20/94SIGNED: 

cc: Brent Gardner, Executive Director, UACIM
 Fred Medenwaldt, Senior Vice President, AIM
 Jess Hurtado, Assistant Vice President, AIM

Kent Sundberg, LMC Chairman, UACIM
 Jerry Hess, Vice President, UACIM Board

1011 21 1994

Utah Association of Counties Insurance Mutual



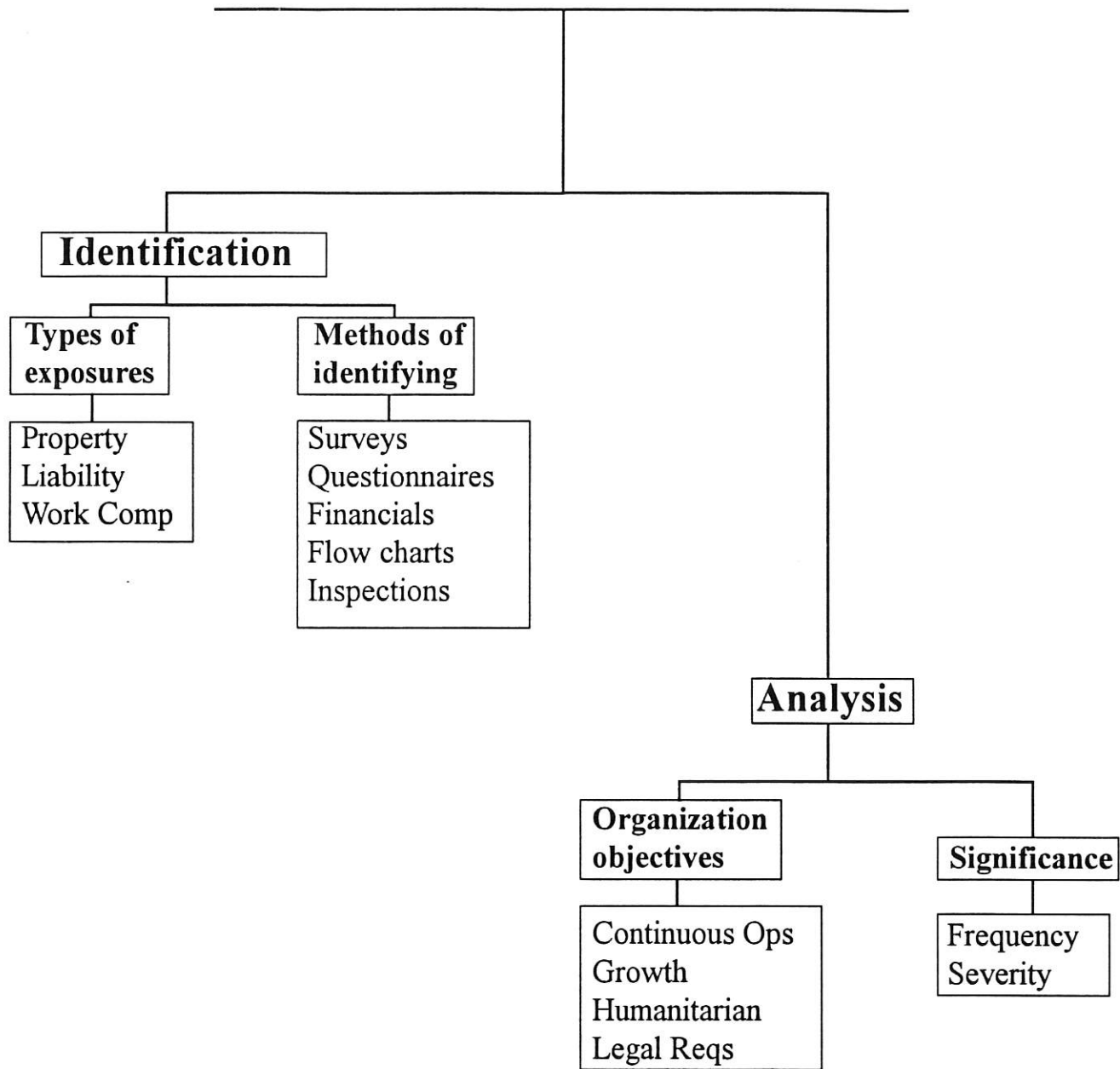
**Board of Directors Meeting
March 11, 1994**

Overview of a Comprehensive Pool Risk Management Program

- ◆ Identify and Analyze Exposures to Loss
- ◆ Examine Feasibility of Alternative Techniques
- ◆ Select Apparent Best Technique(s)
- ◆ Implement the Chosen Technique(s)
- ◆ Monitor and Improve the Program

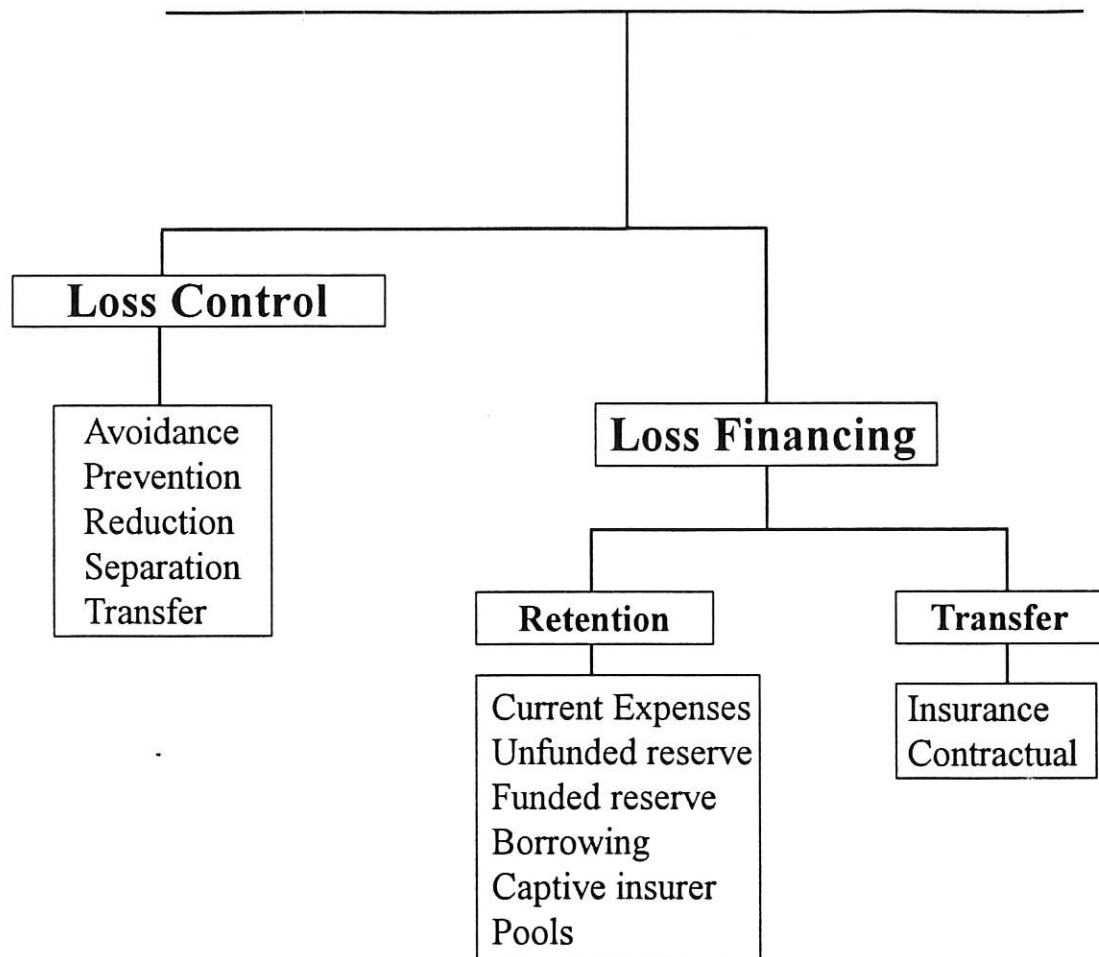
NOTES

Identify and Analyze Exposures to Loss



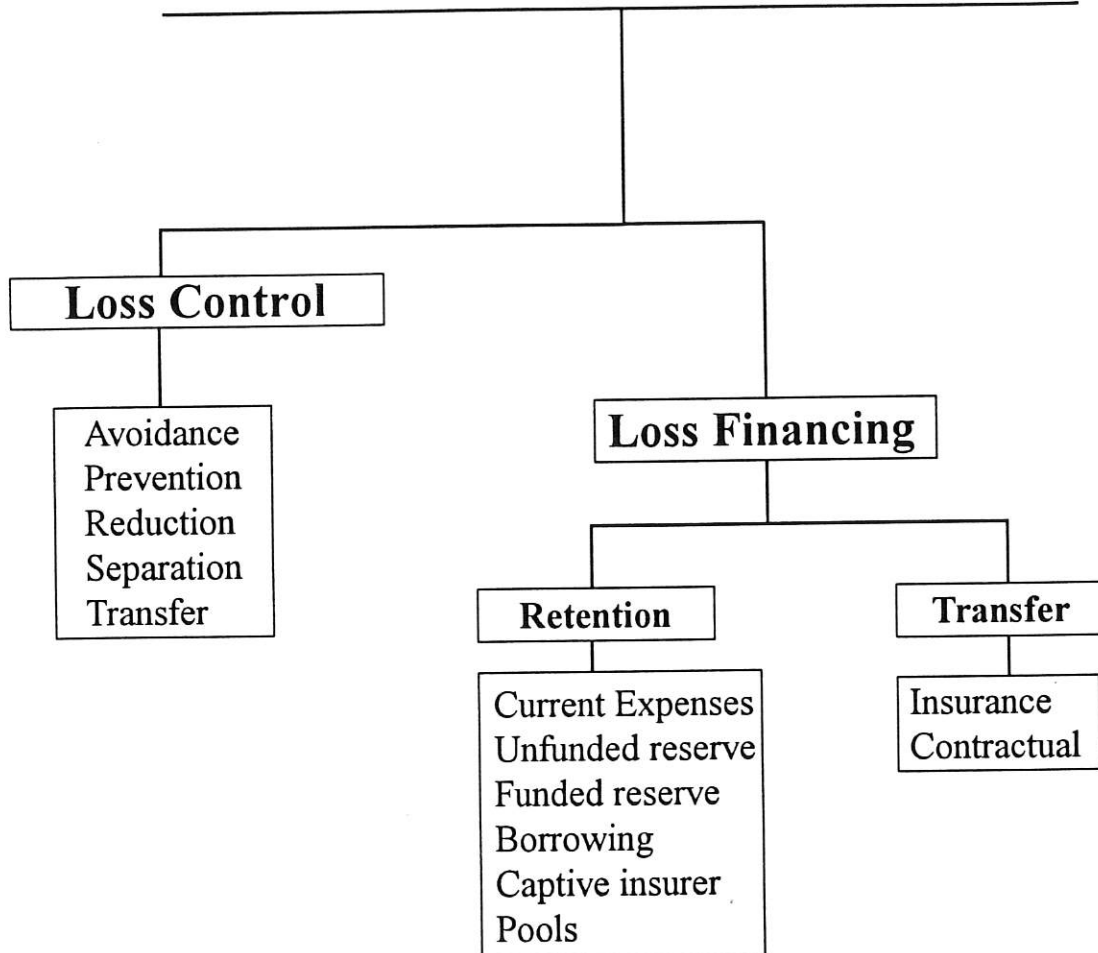
NOTES

Examine Feasibility of Alternative Techniques



NOTES

Examine Feasibility of Alternative Techniques



NOTES

Implement the Chosen Technique(s)

Technical decisions

Managerial decisions

Monitor and Improve the Program

Purpose

**Assure proper implementation
Detect/Adapt to changes**

**Measurement
tools**

**Results standards
Activities standards**

NOTES

Review of a Comprehensive Pool Risk Management Program

- ◆ Identify and Analyze Exposures to Loss
- ◆ Examine Feasibility of Alternative Techniques
- ◆ Select Apparent Best Technique(s)
- ◆ Implement the Chosen Technique(s)
- ◆ Monitor and Improve the Program

NOTES

Examples of Loss Control Activities

PROACTIVE

REACTIVE

PREVENTION ACTIVITIES	MITIGATION ACTIVITIES
Liability	Liability
Policies Procedures Training Incident Review Hazard Surveys Data Analyses	Policy Review Procedure Review Train/Retrain Incident Review Data Analysis Claim Management Litigation Management
Property	Property
Policies Procedures Training Incident Review Hazard Surveys Data Analyses	Emergency Plans Policies Procedures Data Analysis Claims Management Litigation Management

NOTES

